

GOP's Refusal to Compromise on Deficit Plan Leaves Middle Class Families Paying the Price

As Republicans continue to dig their heels in, putting our economic security at risk in order to protect tax cuts for the wealthy, time is running out to ensure that we pay America's bills and avoid the catastrophic consequences that default would have on our economy.

While some House Republicans claim that we won't default, Wall Street is already bracing itself for the consequences if we fail to pay our bills, warning that it would destabilize the markets and increase the deficit. It would also have a real impact on American families. According to a report by Senate Democrats, failing to pay America's bills would:

Drive Up Costs for Middle Class Families:

- Mortgage payments will increase by over \$1,000 for the average family
- Credit card interest would increase by \$250 for the average family

Drive Up Prices of Food, Gas and Utilities:

- Families could pay an additional \$318 per year on food
- Families could pay an additional \$100 per year on gas
- Families could pay an additional \$182 per year on utilities

Cause Losses in Retirement Savings:

- Families could lose thousands of dollars in their retirement savings
- Families with 401(K)s could lose all gains made in 2010 and most gains from 2009

Democrats continue to advocate for a big, balanced agreement that includes both spending cuts and revenues so that we can ensure we pay our nation's bills, avoid the consequences of default and significantly reduce the deficit. The American public supports that approach:

Wall Street Journal/ NBC Poll - 07/19/11: "Of those polled, 58% said they supported Mr. Obama's approach, a \$4 trillion deficit-reduction plan over 10 years... In comparison, 36% said they backed the leading proposal among congressional Republicans, which would reduce the federal deficit by \$2.5 trillion, also over 10 years... 62% of all Americans, and 61% of political independents, said the GOP should agree to raise taxes to get a deal on the debt ceiling..."

Washington Post/ ABC Poll - 07/19/11: "A majority view the president as more committed to protecting the interests of the middle class and small businesses, while large majorities see Republicans as defending the economic interests of big corporations and Wall Street."

Quinnipiac University Poll - 07/14/11: "Survey participants also would prefer to see two measures that Obama has pushed: tax hikes for the rich and closing loopholes. Sixty-seven percent say an agreement to raise the debt ceiling should include not just spending cuts but tax increases for the rich and corporations, while 25 percent disagree."

Gallup Poll - 07/13/11: 74 percent of Republicans agree that a responsible deficit reduction plan should include both tax increases and spending cuts, while 77 percent of independents believe the plan should include a mix of revenues and spending cuts.

It's time for Republicans to abandon their ideological agenda that attempts to balance the budget by ending Medicare while protecting tax cuts for the wealthiest Americans. With less than two weeks before a potential default, both parties need to come together to take action on a grand bargain. The American people support it, the business community expects it, and our economy depends on it.